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Blue Grass Federal

SAVINGS & LOAN ASSOCIATION

September 7, 2005

Mr. Johns F. Carter, Director
Federal Deposit Insurance Corporation
San Francisco Regional Office
25 Jessie Street at Ecker Square
Suite 2300
San Francisco, CA 94105

Dear Mr. Carter:

I am writing to express my strong opposition to Wal-Mart's application for Deposit Insurance for its pending Utah based ILC. The mixing of banking and commerce is bad public policy that could threaten the delivery of credit and create huge potential for conflicts of interest in our banking system. I believe Congress demonstrated its opposition to such mixing by passing the Gramm-Leach-Bliley Act.

In addition to the issue of mixing banking and commerce is the competitive disparity created. Wal-Mart has a history of destroying local businesses such as groceries, hardware stores, tire shops and pharmacies. As President and CEO of a small community thrift, I know my institution may not be able to survive the competition posed by a Wal-Mart bank; not because we cannot deliver better products and services, but because we cannot match the vast resources and marketing of a giant such as Wal-Mart. While the loss of any local business adversely affects a small community, the loss of local financial institutions has a far greater negative impact.

Finally is the issue of concentration. Wal-Mart already controls a significant share of sales in the United States. A Wal-Mart bank in many Wal-Mart stores would bring a dangerous and unprecedented concentration of economic power. With this concentration comes a threat to the community banking industry and increased risk to the insurance fund.

Sincerely yours,

Michael L. Beckett, President



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